

February 9, 2021

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RE: Request of Dominion Energy South Carolina, Inc. to Decrease its Rate Rider Related to Pension Costs from (\$0.00017) to (\$0.00020) per kilowatt hour ****This filing includes a request for a decrease to the pension cost component rider to retail rates.****
Docket No. 2021-____-E

Request of Dominion Energy South Carolina, Incorporated to Decrease Its Rate Rider Related to Pension Costs from \$0.00033 to (\$0.00017) Per Kilowatt-Hour
Docket No. 2020-50-E

Dear Ms. Boyd:

By Order No. 2012-951, issued on December 20, 2012, in Docket No. 2012-218-E, the Public Service Commission of South Carolina (“Commission”) approved Dominion Energy South Carolina, Inc.’s (“DESC” or “Company”) Rider Related to Pension Costs (“Pension Rider”), which serves as the mechanism for DESC to recover its pension costs related to retail electric operations. The Pension Rider is subject to an annual true up depending on conditions in financial markets and other factors. Based upon the reasons set forth below, DESC seeks the Commission’s approval to decrease its Pension Rider from (\$0.00017) to (\$0.00020) per kilowatt hour (“kWh”), which will be applicable to all DESC retail electric rate schedules.

In Order No. 2012-951, the Commission found that pension expenses “can vary significantly from year to year depending on conditions in financial markets and other factors.” *Id.* at p. 38. The Commission also determined that “using a rate rider for recovery of pension expense would allow the Company to adjust its pension expense collections with an annual true-up.” *Id.*

By Order No. 2020-333, issued in Docket No. 2020-50-E, the Commission authorized DESC to decrease its Pension Rider, from \$0.00033 to (\$0.00017) per kWh, effective for bills rendered on and after the first billing cycle of May 2020. As part of

(Continued . . .)

its order, the Commission required the Company to file with the Commission and the South Carolina Office of Regulatory Staff (“ORS”) quarterly updates on the balance of the Pension Rider and updated projections through April 2021. The quarterly updates are to be filed “through April 2021 on a form developed in collaboration with ORS.” *See* Order No. 2020-333.

In compliance with Order No. 2020-333, and in a format determined in collaboration with ORS, Exhibit No. 1, a copy of which is attached hereto, is the quarterly update on the balance of the Pension Rider for the quarter ending December 31, 2020, and projections through April 2021.

Since the last filing for an adjustment to the Company’s Pension Rider in 2020 (Docket No. 2020-50-E), the projected over-collected balance of pension costs through April 2021 has been reduced by approximately \$9.3 million as of December 31, 2020. However, if the currently approved Pension Rider is not reduced, then the Company projects there will be an over-collection of pension costs of approximately \$690 thousand as of April 2022. Exhibit No. 2, a copy of which is attached hereto, reflects the over-collection projections through April 2022, if no reduction of the Pension Rider is authorized. Exhibit 2 also reflects the Company’s proposal to decrease the Pension Rider, and the resulting impact on the recovery balance.

In this filing, the Company is proposing to decrease the Pension Rider from (\$0.00017) per kWh to (\$0.00020) per kWh, resulting in a reduction in the Pension Rider of \$0.00003 per kWh. Attached hereto as Exhibit No. 3 is a redline version of the revised Pension Rider reflecting the proposed decrease. Also attached hereto as Exhibit No. 4 is a clean version of the updated Pension Rider reflecting the proposed decrease. Decreasing the Pension Rider collections as set forth herein will result in a projected decrease in annual collections from DESC’s customers of approximately \$660 thousand.

The Company maintains that publication of a notice is not necessary under either S.C. Code Ann. § 58-27-870(F) (2015) or Commission Order No. 2012-951, and no such publication was required in Docket No. 2020-50-E. However, in the event the Commission requires publication of a notice, the Company has enclosed for the Commission’s consideration a Proposed Notice of Filing (“Notice”) and respectfully requests that, if a notice is required, the Company be permitted to publish the Notice one time no later than March 15, 2021,¹ in the following daily newspapers: The State (Columbia), The Post and Courier (Charleston), The Times and Democrat (Orangeburg), The Aiken Standard, and The Beaufort Gazette.

¹ The Company’s ability to meet any deadline for publication of any required Notice depends on the Company receiving the Notice from the Commission in sufficient time to allow the Company to prepare the Notice for publication and provide the Notice to the newspapers for publication. If the Company receives any such Notice from the Commission by March 1, 2021, then it should be able to meet a March 15, 2021 newspaper publication deadline.

Based on the foregoing, DESC respectfully requests that the Commission review and approve, without notice and hearing, the attached updated Pension Rider reflecting a decrease of \$0.00003 per kWh. DESC further requests that the updated Pension Rider be effective for bills rendered on and after the first billing cycle of May 2021.

By copy of this letter, DESC is notifying the ORS of the Company's request and is enclosing a certificate of service to that effect.

If you have any questions, please advise.

Very truly yours,



Matthew W. Gissendanner

MWG/kms

Enclosures

cc: Jeffrey M. Nelson, Esquire
Alexander Knowles, Esquire
Roger Hall, Esquire
Carri Grube-Lybarker, Esquire
(all via electronic mail and U.S. First-Class Mail w/enclosures)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NOS. 2021-__-E AND 2020-50-E

IN RE:

Request of Dominion Energy South Carolina, Inc.)
to Decrease its Rate Rider Related to Pension Costs)
from (\$0.00017) to (\$0.00020) per kilowatt hour)
****This filing includes a request for a decrease to)**
Pension cost component rider to retail rates.)**

**CERTIFICATE OF
SERVICE**

Request of Dominion Energy South Carolina,)
Incorporated to Decrease its Rate Rider Related to)
Pension Costs from \$0.00033 to (\$0.00017) Per)
Kilowatt-Hour)
_____)


This is to certify that I have caused to be served this day copies of **Dominion Energy South Carolina, Inc.'s Rider Related to Pension Costs** to the persons named below at the addresses set forth via U.S. First Class Mail and electronic mail:

Jeffrey M. Nelson, Esquire
South Carolina Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201
jnelson@ors.sc.gov

Alexander Knowles, Esquire
South Carolina Office of Regulatory Staff
1401 Main Street, Suite 900
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Carri Grube-Lybarker, Esquire
South Carolina Department of Consumer Affairs
Post Office Box 5757
Columbia, SC 29250
clybarker@scconsumer.gov

Roger P. Hall, Esquire
South Carolina Department of Consumer Affairs
Post Office Box 5757
Columbia, SC 29250
rhall@scconsumer.gov



Karen M. Scruggs

Columbia, South Carolina

This 9th day of February 2021

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

CLERK'S OFFICE

NOTICE OF FILING

DOCKET NO. 2021-____-E

DOMINION ENERGY SOUTH CAROLINA, INC. – REQUEST TO DECREASE RATE RIDER RELATED TO PENSION COSTS FROM (\$0.00017) TO (\$0.00020) PER KILOWATT HOUR

On February 9, 2021, Dominion Energy South Carolina, Inc. (“DESC” or “Company”), pursuant to Public Service Commission of South Carolina (“Commission”) Order No. 2012-951 issued in Docket No. 2012-218-E, requested that the Commission issue an order authorizing DESC to update its “Rider to Retail Rates – Pension Costs Component” (“Pension Rider”) to adjust the decrement included in all retail electric rate schedules for the recovery of pension-related costs from (\$0.00017) per kilowatt-hour to (\$0.00020) per kilowatt-hour, effective for bills rendered on and after the first billing cycle of May 2021.

A copy of the Company’s complete filing, as well as the proposed rider may be obtained from the Commission at the following address: Public Service Commission of South Carolina, Clerk’s Office, 101 Executive Center Drive, Columbia, South Carolina 29210. Additionally, the filing is available on the Commission’s website at www.psc.sc.gov and is available from the corporate office of Dominion Energy South Carolina, Inc. at 220 Operation Way, Cayce, South Carolina 29033.

Any person who wishes to participate in this matter as a party of record should file a Petition to Intervene in accordance with the Commission’s Rules of Practice and Procedure on or before **March 30, 2021**. Please include an email address for receipt of future Commission correspondence in the Petition to Intervene. *Please refer to Docket No. 2021-____-E.*

Any person who wishes to provide written comments to the Commission concerning the Petition may do so any time before **April 6, 2021**. Written comments should be sent to the Public Service Commission of South Carolina at the address below; the South Carolina Office of Regulatory Staff, 1401 Main Street, Suite 900, Columbia, South Carolina 29201; and Matthew W. Gissendanner, Senior Counsel, Dominion Energy South Carolina, Inc., 220 Operation Way, Mail Code C222, Cayce, South Carolina 29033. *Please refer to Docket No. 2021-____-E.*

Persons seeking information about the Commission’s Rules of Practice and Procedure should contact the Commission in Columbia at 803-896-5100.

Public Service Commission of South Carolina
Attn: Clerk’s Office
101 Executive Center Drive, Suite 100
Columbia, SC 29210

Dominion Energy South Carolina, Inc.

December 31, 2020 Quarterly Update

Projection of Pension Rider Under/(Over) Recovery

	<u>Under/(Over) Collection Balance</u>	<u>Pension Component (per kWh)</u>	<u>Projected Rider Recovery</u>	<u>Projected Pension Costs {2}</u>	<u>Under/(Over) Collection Balance</u>
December 2020 {1}	(\$1,779,253)				(\$1,779,253)
January 2021		\$ (0.00017)	\$ (326,689)	(\$235,667)	(\$1,688,231)
February 2021		\$ (0.00017)	\$ (273,666)	(\$235,667)	(\$1,650,232)
March 2021		\$ (0.00017)	\$ (275,978)	(\$235,667)	(\$1,609,921)
April 2021		\$ (0.00017)	\$ (263,721)	(\$235,667)	(\$1,581,867)

{1} Reflects actual overcollected balance as of December 31, 2020. All other amounts reflect projected activity and balances.

{2} For the purpose of this exhibit, the estimated annual pension costs allocable to retail electric operation and maintenance ("O&M") expense has been distributed evenly by month. Beginning in 2021 with the conversion to the SAP enterprise software suite used by Dominion Energy, pension costs will be distributed based on the labor distribution for the month. Therefore, the monthly O&M amount will vary based on the distribution of labor.

Dominion Energy South Carolina, Inc.

Projection of Pension Rider Under/(Over) Recovery if No Changes Made

	Projected Rider Recovery	Projected Pension Costs {2}	Under/(Over) Collection Balance
December 2020 {1}			(\$1,779,253)
January 2021	\$ (326,689)	(\$235,667)	(\$1,688,231)
February 2021	\$ (273,666)	(\$235,667)	(\$1,650,232)
March 2021	\$ (275,978)	(\$235,667)	(\$1,609,921)
April 2021	\$ (263,721)	(\$235,667)	(\$1,581,867)
May 2021	\$ (307,479)	(\$235,667)	(\$1,510,055)
June 2021	\$ (352,614)	(\$235,667)	(\$1,393,108)
July 2021	\$ (373,150)	(\$235,667)	(\$1,255,625)
August 2021	\$ (376,873)	(\$235,667)	(\$1,114,419)
September 2021	\$ (312,817)	(\$235,667)	(\$1,037,269)
October 2021	\$ (271,575)	(\$235,667)	(\$1,001,361)
November 2021	\$ (290,785)	(\$235,667)	(\$946,243)
December 2021	\$ (292,587)	(\$235,667)	(\$889,323)
January 2022	\$ (331,330)	(\$235,667)	(\$793,660)
February 2022	\$ (271,218)	(\$235,667)	(\$758,109)
March 2022	\$ (276,335)	(\$235,667)	(\$717,441)
April 2022	\$ (265,931)	(\$235,667)	(\$687,177)

Projection of Pension Rider Under/(Over) Recovery with May 2021 Update

Pension Component (per kWh)	Projected Rider Recovery	Projected Pension Costs {2}	Under/(Over) Collection Balance
\$ (0.00017)	(\$326,689)	(\$235,667)	(\$1,688,231)
\$ (0.00017)	(\$273,666)	(\$235,667)	(\$1,650,232)
\$ (0.00017)	(\$275,978)	(\$235,667)	(\$1,609,921)
\$ (0.00017)	(\$263,721)	(\$235,667)	(\$1,581,867)
\$ (0.00020)	(\$361,740)	(\$235,667)	(\$1,455,794)
\$ (0.00020)	(\$414,840)	(\$235,667)	(\$1,276,621)
\$ (0.00020)	(\$439,000)	(\$235,667)	(\$1,073,288)
\$ (0.00020)	(\$443,380)	(\$235,667)	(\$865,575)
\$ (0.00020)	(\$368,020)	(\$235,667)	(\$733,222)
\$ (0.00020)	(\$319,500)	(\$235,667)	(\$649,389)
\$ (0.00020)	(\$342,100)	(\$235,667)	(\$542,956)
\$ (0.00020)	(\$344,220)	(\$235,667)	(\$434,403)
\$ (0.00020)	(\$389,800)	(\$235,667)	(\$280,270)
\$ (0.00020)	(\$319,080)	(\$235,667)	(\$196,857)
\$ (0.00020)	(\$325,100)	(\$235,667)	(\$107,424)
\$ (0.00020)	(\$312,860)	(\$235,667)	(\$30,231)

{1} Reflects actual overcollected balance as of December 31, 2020. All other amounts reflect projected activity and balances.

{2} For the purpose of this exhibit, the estimated annual pension costs allocable to retail electric operation and maintenance ("O&M") expense has been distributed evenly by month. Beginning in 2021 with the conversion to the SAP enterprise software suite used by Dominion Energy, pension costs will be distributed based on the labor distribution for the month. Therefore, the monthly O&M amount will vary based on the distribution of labor.

RIDER TO RETAIL RATES

PENSION COSTS COMPONENT

APPLICABILITY

Service supplied under the Company's retail electric rate schedules is subject to the approved Rider to Retail Rates - Pension Costs Component. The charge shown below is applicable to and a part of the Company's South Carolina retail electric rate schedules for the recovery of pension-related costs and is included in the monthly rate provision of the applicable schedule used in billing.

RIDER RELATED TO PENSION COSTS

The rate listed below is included in all retail electric rate schedule energy charges for the recovery of pension-related costs.

Decrement included in all retail electric rate schedules

~~\$ (0.00017)~~ per kWh

\$ (0.00020) per kWh

RIDER TO RETAIL RATES

PENSION COSTS COMPONENT

APPLICABILITY

Service supplied under the Company's retail electric rate schedules is subject to the approved Rider to Retail Rates - Pension Costs Component. The charge shown below is applicable to and a part of the Company's South Carolina retail electric rate schedules for the recovery of pension-related costs and is included in the monthly rate provision of the applicable schedule used in billing.

RIDER RELATED TO PENSION COSTS

The rate listed below is included in all retail electric rate schedule energy charges for the recovery of pension-related costs.

Decrement included in all retail electric rate schedules

\$ (0.00020) per kWh